

11/19/2010

Dear Stakeholders,

A little over a month ago we posted on the EM website the draft version of EM's Journey to Excellence Roadmap. The Roadmap set forth a vision for the EM program and cleanup efforts. This vision was crafted through ongoing dialogue with our employees – both Federal and contractor – and our stakeholders. In addition, to clearly articulate our common vision, the Roadmap set a course for how to achieve that vision. Seven specific goals were identified: four programmatic goals about the work EM does and three management goals about how EM accomplishes its work.

I want to take a moment to highlight the progress we have made on one of our goals:

Goal 6. Improve contract and project management with the objective of delivering results on time, and within cost.

Last July, the EM Project Management Task Team was chartered to document actions taken over the last several years in comprehensive efforts to improve acquisition and project management processes following extensive internal and external reviews and initiatives, including:

- Government Accountability Office (GAO) reports,
- 2006 National Academy of Public Administration (NAPA) review,
- February 2007 EM partnership with the U.S. Army Corps of Engineers (USACE) to implement a Best-in-Class (BIC) initiative,
- April 2008 DOE Root Cause Analysis (RCA) Report,
- July 2008 RCA Corrective Action Plan, and
- August 2009 EM Acquisition Management and Project Management Corrective Action Plan

The team evaluated the effectiveness of the improvements we have made thus far, and based on the cost performance and schedule performance indices (CPI/SPI), have found that EM has been steadily improving performance. During the last four years, over 95 percent of EM's projects (by dollar value) have been within 10 percent of the current baseline schedule and cost. In 2010, we successfully completed 100 percent of the 5 cleanup capital projects as planned within the Department's goal (within 10 percent of the original cost baseline). For the cleanup projects due to be completed during fiscal years 2011 and 2012, we are currently on track to complete over 90 percent within the Department's goal.

The team also found that through the hiring of additional Federal employees, US Army Corps of Engineers (USACE) partnership and staff augmentation, and our agreement with the Seaborg Group for an EM Technical Expert Group, EM now has the capacity (people and resources) to resolve problems in acquisition and project management. Part of ensuring we have adequate capacity in these areas is through obtaining certifications for our project management and acquisition professionals. 94 percent of EM clean-up projects are managed by a Federal Project Director (FPD) certified at the appropriate level, and 87 percent of EM contract specialists are certified. Additionally, the team found that EM has the ability to monitor and independently validate the effectiveness and sustainability of corrective measures at Headquarters and in the field.

I am pleased with the progress we have made as an organization and applaud the efforts of those involved in acquisition and project management. While we have made great strides, EM leadership remains committed and focused to continuously improve project and contract management processes and the bottom-line results.

We recently have restructured EM's entire portfolio to facilitate sharpened management and oversight of both capital asset projects and operations activities. We are using appropriate metrics for the operations activities to measure successes while maintaining the project management principles. EM also recently entered into an agreement with the USACE to integrate some of their senior experienced project managers as Deputy FPDs. This partnership arrangement is intended to achieve more effective use of the USACE skills and experience and ensure that the EM FPD has immediate access to other USACE staff support that may be part of the integrated project team (IPT). This model will initially be used for line item construction projects, specifically the Salt Waste Processing Facility at Savannah River, the Sodium-Bearing Waste Facility at Idaho, and the U-233 Downblend at Oak Ridge.

We have also been reaching out to some of our external stakeholders regarding the accomplishments in the report including congressional, GAO, the Office of Management and Budget, the Environmental Management Advisory Board, and the Energy Facility Contractors Group. Feedback we have received thus far has been positive.

I want to point out that you can find all of the information we have shared with our stakeholders on our website www.em.doe.gov the EM Project Management Task Team Report on Acquisition and Project Management Continuous Improvements, the Summary Report on the Restructuring of the Environmental Management (EM) Program, and related PowerPoint briefing

Our efforts are being recognized at all levels within the Department and by our stakeholders. We will be providing updates on our progress with the other goals in the coming months. Again, I thank everyone for working with us on our Journey to Excellence.

Warmest Regards,

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